

SUMMARY OF CROWN BIDDING PROCEDURES

1. The Bidding Procedures referred to herein shall be the sole auction and bidding procedures with respect to the Purchased Assets. Capitalized terms used but not defined herein have the meanings specified in the Motion for an Order (i) Approving Entry into a Letter Agreement to Sell Certain Assets Free and Clear of Claims, Liens and Encumbrances, (ii) Approving Auction and Bidding Procedures, (iii) Approving Payment of Topping Fee and Break-Up Expenses and (iv) Fixing Manner and Extent of Notice of Sale and Bidding Procedures (the "Motion").

Sale Hearing

2. The Sale Hearing shall be held before Judge Randall J. Newsome, on January 12, 2001, at 9:30 a.m. (San Francisco time) at the United States Bankruptcy Court for the Northern District of California, Oakland Division, 1300 Clay Street, Oakland, CA 94612, at which time the Court shall consider the approval of the Definitive Agreements, the Sale Motion and confirmation of the results of the Auction, if any. Objections to the Sale Motion shall be filed and served no later than 5:00 p.m. (San Francisco time) on January 10, 2001 (the "Objection Deadline").

3. The failure of any objecting person or entity to file its objection by the Objection Deadline shall be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to (i) the Sale Motion, (ii) the sale of the Purchased Assets to the Purchaser on the terms and conditions set forth in the Definitive Agreements or (iii) the Debtors' consummation and performance of the Definitive Agreements (including the transfer of the Purchased Assets

and assumption and assignment of any assigned contracts free and clear of all interests or legal or contractual prohibitions on assignment thereof), if authorized by the Court.

4. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Court's calendar on the date scheduled for the Sale Hearing or any adjourned date.

Notice

5. Notice of the Sale Motion and the Sale Hearing shall be good and sufficient, and no other or further notice shall be required, if, on or before December 28, 2000 (the "Mailing Date"), the Debtors (or their agents) shall serve copies of the Sale Motion, the Definitive Agreements, the proposed order approving the Sale Motion, the Amended Order (I) Approving Entry Into Letter Agreement To Sell Certain Assets Free And Clear Of Claims, Liens And Encumbrances, (II) Approving Auction And Bidding Procedures, (III) Approving Payment Of Topping Fee And Break-Up Expenses And (IV) Fixing Manner And Extent Of Notice Of Sale And Bidding Procedures, dated December 22, 2000 (the "Amended Procedures Order"), and this summary of the Bidding Procedures by overnight courier, in accordance with Paragraphs A.4b. and A.4e. of the Case Administration Order and, upon (i) all entities known to have expressed an interest in a transaction with respect to the Purchased Assets or a portion thereof during the past four months; (ii) all federal, state and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Sale Motion; (iii) the United States Attorney's Office; and (iv) the Securities and Exchange Commission and (b) a Sale Notice shall have been published in the national edition of the *Wall Street Journal* within four business days of service of the Sale Motion.

Bidding Procedures

6. The Auction will be held at the offices of Shearman & Sterling, 555 California Street, San Francisco, CA 94104, on January 11, 2001 commencing at 9:00 a.m. (San Francisco time). In order for a person or entity to qualify for participation in the Auction (a “Qualified Bidder”) such person or entity must (a) submit a Qualified Bid (as defined below) by 5:00 p.m. (San Francisco time) on January 9, 2001 (the “Bid Deadline”), (b) be a person or entity that the Debtors, in consultation with the official committee of unsecured creditors appointed in the Debtors’ chapter 11 cases (the “Creditors’ Committee”) and the agents for the Debtors’ secured lenders (the “Agents”), determine in good faith is reasonably likely (based on the availability of financing and proof of financial wherewithal, experience and other relevant considerations) to be able to consummate a transaction based on the Qualified Bid, if selected as the successful bidder for the subject assets and (c) sign a confidentiality agreement with the Debtors.

7. The Purchaser is deemed to be a Qualified Bidder if the Debtors do not receive any other Qualified Bids, no Auction need be conducted. Instead, under such circumstances, the Debtors shall report the failure to obtain any Qualified Bid to the Court at the time of the Sale Hearing and, subject only to final Court approval, proceed with the sale of the Purchased Assets to the Purchaser under the Definitive Agreements.

8. For a bid to qualify for consideration at the Auction (a “Qualified Bid”), it must (a) be delivered prior to the Bid Deadline to counsel for (i) the Debtor, (ii) the Purchaser, (iii) the Creditors’ Committee and (iv) the Agents, (b) have a cash component of at least \$1.25 million more than the Cash Component, (c) be a proposal that the Debtors determine, in good faith and upon the advice of their independent financial advisors (and in consultation with

the Creditors' Committee's and the Agents' financial advisors), is not materially more burdensome or conditional than the terms of the Definitive Agreements and has an identifiable value attributable to the Purchased Assets greater than or equal to the sum of (i) the value, as reasonably determined by the Debtors' independent financial advisor (in consultation with the Creditors' Committee's and the Agents), of the Purchaser's offer *plus* (ii) the amount of the Topping Fee *plus* (iii) in the case of the initial Qualified Bid, \$500,000, and in the case of subsequent Qualified Bids, \$250,000 (it being understood that in subsequent Qualified Bids by the Purchaser, it shall receive a bidding credit in the amount of \$750,000), (d) be substantially on the same or better terms and conditions as set forth in a copy of the Definitive Agreements marked to show those modifications and amendments, including price, terms and assets to be acquired, that the Qualified Bidder proposes, (e) be accompanied by satisfactory evidence of committed financing or other ability to perform and (f) be accompanied by a cash deposit in an amount of \$750,000 (the "Deposit") to be held until the Closing, at which time the Deposit shall be either (i) credited against the Purchase Price if such Qualified Bid is the Successful Bid (as defined below), or (ii) returned if the Qualified Bid is not the Successful Bid. The Purchaser's bid as embodied in the Definitive Agreements constitutes a Qualified Bid.

9. A Qualified Bid will be valued based upon, among other things, factors such as (a) the amount of the Qualified Bid, (b) the value of the assets, if any, not being purchased or the value attributed to the Purchased Assets if additional assets are being purchased, (c) the amount and type of the Debtors' liabilities to be assumed and excluded, (d) the net value provided to the Debtors and (e) any other factor deemed relevant to the Debtors (and Creditors' Committee and the Agents) in determining value. If the Debtors, the Creditors'

Committee and the Agents cannot agree on the value to be ascribed to a Qualified Bid, any such party may seek a ruling from the Court with respect to such value.

10. The Debtors will give the Purchaser and all other Qualified Bidders a copy of the highest and best Qualified Bid received in respect of the Purchased Assets and copies of all other Qualified Bids by 12:00 noon (San Francisco time) on January 10, 2001. Each Qualified Bidder must inform the Debtors whether it intends to participate in the Auction by 5:00 p.m. (San Francisco time) on January 10, 2001. In addition, the Debtors will inform the Purchaser, the Creditors' Committee, the Agents and each Qualified Bidder that has expressed its intent to participate in the Auction, of the identity of all Qualified Bidders that intend to participate in the Auction.

11. All subsequent Qualified Bids made at the Auction shall be made and received in one room (which may be the Court) on an open basis, and all other bidders shall be entitled to be present for all bidding at the Auction, with the understanding that the true identity of each bidder shall be fully disclosed to all bidders, the Debtors, the Creditors' Committee and the Agents throughout the entire Auction. Bidding at the Auction will continue until the highest and best offer is determined (the "Successful Bid").

Successful Bid

12. Immediately prior to the conclusion of the Auction, the Debtors, in consultation with the Creditors' Committee and the Agents shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the sale and (ii) identify the Successful Bid and notify all Qualified Bidders at the Auction, prior to its adjournment, of the

name or names of the maker of the Successful Bid, and the amount and other material terms of the Successful Bid. The Debtors will promptly notify the Court of the identity of the party that has submitted the Successful Bid. The Debtors, the Creditors' Committee and the Agents may reject, at any time before entry of an order of the Court approving a Qualified Bid, any bid that any of the Debtors, the Creditors' Committee and the Agents reasonably and in good faith determine is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of the Amended Procedures Order, or (iii) contrary to the best interests of the Debtors, their estates and their creditors. In the event of a disagreement, any of the Debtors, the Purchaser, the Creditors' Committee and the Agents may seek review by the Court of the determination by the Debtors, the Creditors' Committee and the Agents of the highest and/or best Qualified Bid or whether a bidder is a Qualified Bidder.

13. In the event that the Auction is conducted, the Debtors shall be deemed to have accepted a bid only when the Successful Bid has been approved by the Court at the Sale Hearing, notwithstanding their determination of the Successful Bids. Upon failure to consummate the sale of any assets because of a breach or failure on the part of any Successful Bidder, the Debtors (in consultation with the Creditors' Committee and the Agents) may select in their reasonable and informed business judgment the next highest or otherwise best Qualified Bid to be the Successful Bid, and shall seek approval of the Court to consummate a sale based on such Successful Bid, and any party in interest may object to such sale, including at the Sale Hearing. If such Successful Bid does not result in the sale of the Purchased Assets, other than because of a default by the Debtors, the Debtors shall have the right, but not the obligation, to obtain an order of the Court allowing the Debtors to consummate a sale of the Purchased Assets

to the second highest bidder as determined by the Debtors (in conjunction with the Creditors' Committee and the Agent).